THE REMEDIAL SECTION

The primary goals of the Remedial Section are to protect and preserve one of the most important natural resources of our state - our water supply, both ground water and surface water, and to protect the human health and welfare of the citizens of Kansas, both current and future generations from environmental contamination. The Remedial Section accomplishes these primary goals through various types of cleanup programs by working in a cooperative partnership with the public, industry and local government. The programs within the Section are responsible for the successful remediation of hundreds of environmentally contaminated properties and the provision of safe-drinking water to citizens and communities with contaminated water supplies in Kansas.

The Remedial Section is committed to working with the public and the industry to manage environmentally contaminated properties in the State without federal intervention. A Memorandum of Agreement was signed between KDHE and EPA which clarifies the responsibilities of the respective agencies and provides assurance that USEPA does not anticipate taking any further action once a site is properly addressed under KDHE's oversight. This agreement represents the sixteenth such agreement in the nation and is the only agreement that recognizes both the Voluntary Cleanup Program and an Enforcement-based Cooperative Program which addresses high priority sites.

The Remedial Section is one of four sections within the Bureau of Environmental Remediation and is comprised of 33 staff (24 are classified full-time equivalents and 9 are unclassified) which includes geologists, scientists, technicians and clerical. A majority of funding for the various programs in the section are either federal or direct reimbursements from parties responsible for contamination, as defined by the various laws. State Water Plan funding is exclusively utilized in the orphan sites program and limited State General Funds are currently utilized to provide a ten-percent match for several federal grants. A new federal law passed in January 2002, entitled the "Small Business Liability Relief and Brownfields Revitalization Act" eliminates the ten-percent match requirement for several of the federal grants.

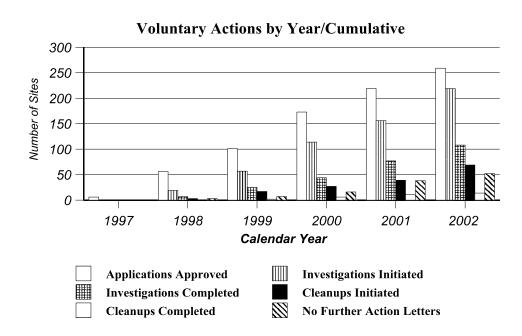
There are four units within the Remedial Section responsible for implementing various programs to assess, investigate, cleanup and monitor state-lead contaminated sites, voluntary sites, orphan sites, brownfields sites and state-lead federal Superfund sites throughout Kansas. The programs the Remedial Section is responsible for include:

- Volutnary Cleanup And Property Redevelopment Program
- , Brownfields Program
- , Orphan Sites Program
- , State Cooperative Program
- , Site Assessment Program

Redevelopment Act was enacted by the Kansas Legislature, endorsed by the Governor, and became law on July 1, 1997 (Kansas Statutes Annotated 65-34,161 et seq.). The law resulted from a 1997 initiative of Governor Bill Graves to statutorily address the issues associated with buying, selling, and developing environmentally contaminated properties. Kansas Administrative Regulations (K.A.R. 28-71-1 through 28-71-12) were developed through a cooperative process involving various stakeholders (agriculture, industry, local and state government, and environmental) and were promulgated on June 26, 1998. The statues and regulations define the Voluntary Cleanup and Property Redevelopment Program (VCPRP) which is administered by the Remedial Section. The KDHE entered into a Memorandum of Agreement with the Environmental Protection Agency (executed March 2, 2001) which establishes that the VCPRP meets the criteria necessary for EPA to provide additional assurance of relief from federal liabilities to VCPRP participants upon completion of voluntary actions that address environmental contamination and receive a "No Further Action Letter" from the program.

The VCPRP receives funding from the voluntary party as required by K.S.A. 65-34,165 and federal funding through a grant to enhance the program. The program provides the public and industry a streamlined and expedient means to address moderate to lower priority contaminated properties in the state. Properties accepted in the program, are guided by staff through investigations and cleanup which ultimately lead to a No Further Action determination (NFA) issued by the program. When a NFA is provided in response to a voluntary action, concerns of environmental liability have been appeased allowing property transactions and/or redevelopment to take place. The VCPRP not only provides this resolution of liability concerns to actual responsible parties, but prospective purchasers, developers, in addition to owners of adjacent impacted properties can participate in the program to address contamination liability concerns. The VCPRP is truly a voluntary program in that a participant can back out of the program at any point in the process; this "back-out" provision is intended to encourage participation by non-responsible parties.

Since the program's inception in 1997, there have been 268 applications received by various entities to participate in the program (see graph below). The breakdown of participants in the program include: 22 % agri-business, 30 % oil and gas industry, 24% industry, 10 % commercial, 8 % railroad and 6 % other.



• Brownfields Program - The Remedial Section is committed to the redevelopment of brownfields properties and has two recent programs available to local governments to ensure that contaminated properties owned, or to be purchased by, local governments (city, county) and non-profit organizations are appropriately assessed, cleaned up, and reused.

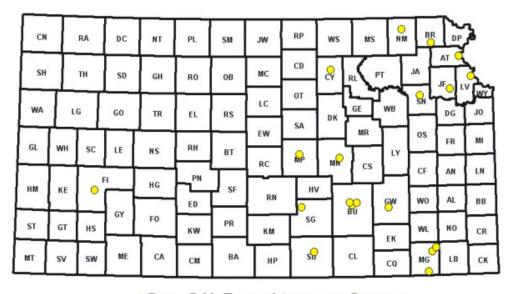
The term 'brownfield site' means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. KDHE's program targets sites that: are abandoned or publicly owned; have low to moderate contamination; include issues of environmental justice; suffer from the stigma of liability; or have a prospective purchaser willing to buy and pay for the cleanup of the property, if needed.

The Brownfields Program is 100 percent federally funded and is implemented through a federal grant from the Environmental Protection Agency (EPA). The program established in 1998 is designed to perform Brownfields Targeted Assessments (Phase I and II investigations as defined by the American Society of Testing and Materials (ASTM)) to assist local communities and non-profit organizations in the redevelopment and economic enhancements of their community. The program has assisted 16 communities across the state by conducting these assessments saving those communities a total of \$320,000.

The Program has recently been awarded \$1,000,000, through a grant from EPA to create a Brownfield Cleanup Revolving Loan Fund for the cleanup of publicly owned property, as well as properties owned by not-for-profit organizations, across the state. The purpose of the BCRLF program is to facilitate the reuse and/or redevelopment of contaminated properties by making low interest loans available for financing environmental cleanups.

By investigating and cleaning up brownfields properties, thus addressing possible health or environmental risks from those properties, communities can utilize underused property – producing jobs, increasing the tax base or adding other benefits such as creating a park or residential area.

Brownfields Targeted Assessment Program



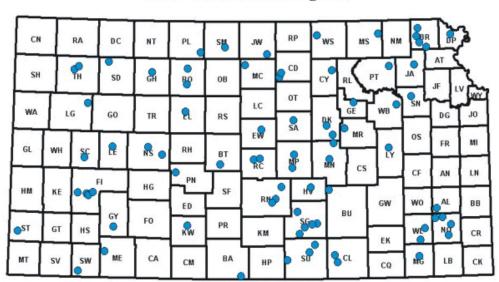
Brownfields Targeted Assessment Property

• State Water Plan Contamination/Remediation Program (Orphan Sites) - The SWP Contamination Remediation (SWP) program is funded annually from the State Water Plan, i.e., the State Water Resources Planning Act (K.S.A. 82a-901 et seq.). The program is based on the "Water Pollution Remediation" policy which "require[s] the State to initiate remedial procedures when a responsible party is unknown or cannot or will not undertake necessary action."

The SWP program addresses contaminated sites for which there is no viable responsible party ("orphan sites"), or for which a responsible party exists but is unable or unwilling to take necessary corrective action measures to address the contamination. Contaminated sites that are not eligible for federal Superfund but still pose risks to human health and the environment are addressed by this program.

Program efforts are focused on characterizing contamination problems, identifying potentially responsible parties, evaluating the degree of human health and environment risk associated with identified contamination, and remediation. Nearly all of the sites within the program involve public water supply wells or domestic drinking water wells impacted or threatened with contamination. A major goal of the program is to assist municipalities and private residences in providing an alternate drinking water supply when the supply has been contaminated or is threatened by contamination from a orphan site. To date, safe drinking water has been made available to over 3,000 citizens including 97 private residences and/or businesses and five communities.

Currently, there are 71 sites managed by the program (see map for locations). A majority of these sites are either being investigated or remediated by the program.



State Water Plan Program

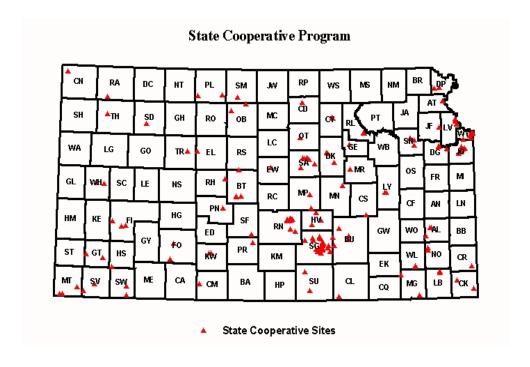
State Water Plan Site

• State Cooperative Program - The State Cooperative Program was developed by KDHE in 1991 to provide technical oversight of investigation and cleanup at moderate to high-priority contaminated sites. The foundation in law supporting the program is provided in K.S.A. 65-3452(a) et seq. The State Cooperative Program process is analogous to the federal Superfund process, but allows the State to control cleanup decisions that may impact the economic vitality of individual communities. Responsible parties work with the program in a cooperative partnership with KDHE to address environmental contamination at their property without federal intervention.

High priority sites are typically associated with contaminated drinking water supplies, including public water supplies and private domestic water supplies, or other conditions that are deemed to present a significant or imminent threat to human health or the environment. Sites within the program are generally complex and often involve ground water contamination that is technically challenging to remediate.

The State Cooperative Program receives funding from the responsible party as required by K.S.A. 65-3452(a) et seq. and federal funding through a grant to enhance the program. The U.S. EPA has recognized and endorsed the State Cooperative Program and activities completed under its purview through a Memoranda of Agreement. A recent court decision has upheld the validity of work conducted through the State Cooperative Program, determining that such work is of a caliber consistent with federal standards. The State Cooperative Program currently oversees investigation and/or cleanup activities at approximately 200 sites within the state (see map for locations - note only active sites shown). More than 31 projects have been resolved to date; many more are in the process of cleanup or long-term operation and maintenance.

The program is also responsible for the characterization and remediation of mercury contaminated manometer stations across the state. Elemental mercury was inadvertently released at hundreds of meter houses across the state. The program has characterized 6,405 meter houses and cleaned up 2,573 meter houses resulting in the remediation of approximately 3,860 cubic yards of mercury ladened soil.



• Site Assessment Program - The Site Assessment Program is 100% federally funded by USEPA through a grant. Program elements are defined by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as amended by the Superfund Amendments and Reauthorization Act (SARA). The program conducts assessments and investigations on sites received by KDHE through citizen complaints, reported releases, environmental assessments for property transfers, requests by local governments and referrals from other state or federal agencies. The program provides KDHE needed funding to assess potential contaminated sites and address citizen's complaints.

The program investigates these potentially new sites to determine risks to human health and the environment. Completed investigations are documented by program staff in a written report so findings are available for public review. Sites with documented contamination can then be deferred to an appropriate state or federal program for further response.

The Site Assessment Program has been nationally recognized for its innovative approaches to site assessment and has been empowered by the federal program to refer sites to state programs which reduces federal intervention, duplication and involvement. The Site Assessment Program has experienced staff completes 60 to 100 assessments and/or investigations each calendar year.

The program has the field expertise and equipment to respond and provide statewide assessments and investigations of complaints and releases. The program owns and operates a mobile laboratory, geophysical equipment, drill rigs, ground water sampling units, and other equipment to facilitate effective and efficient field sampling in support of site assessment activities. Because of the extensive field experience of the Site Assessment program it is also called upon to support other KDHE programs in completion of field sampling and assessment activities.

Number of Assessments Conducted Per Year Conducted by KDHE/Remedial Section 100 98 100 96 94 Number of Assessments 80 67 60 40 20 1996 1998* 1999 2000 1997 2001 2002# Calendar Year

* full implementation of the state empowerment process # projected number of assessments for 2002